GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:319
ANSWERED ON:21.11.2000
FERTILIZERS AND CHEMICALS TRAVANCORE LTD
GEORGE EDEN

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether any proposal is under consideration of the Government for the development of F.A.C.T., Kerala;

(b) if so, the details thereof;

(c) whether the F.A.C.T. is making loss because of its Ammonia production;

(d) if so, the details in this regard; and

(e) the action taken by the Government in the matter?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE)

(a) & (b) : The Government have provided a budgetary support of Rs.35.00 crore to Fertilisers And Chemicals Travancore Ltd. (FACT) during 1999-2000 and have made a provision of Rs.40.00 crore for 2000-01 to enable it to implement essential renewals/replacements and upgradation schemes directed towards improving the health and overall performance of its plants.

(c) to (e) : One of the main reasons for losses of FACT is the higher production cost of ammonia arising from high cost of petroleum products and debt servicing burden of new ammonia replacement plant. A proposal seeking reliefs and concessions, inter-alia including waiver of interest on Government loans for the ammonia replacement plant, conversion of the balance loan into equity and fresh capital investment on new schemes, etc. has been received from FACT and is under consideration of the Government.